

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TUESDAY, FEBRUARY 27, 2024
2:00 PM
CONFERENCE ROOM 329

HOUSE BILL NO. 2298
RELATING TO CONSUMER PROTECTION

Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2298. This bill establishes a timeline by which roasted coffee, instant coffee, and ready to drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin. This bill also allows for retailers to sell off coffee purchases through December 31, 2024, for percentages of less than twenty per cent Hawaii grown coffee by weight.

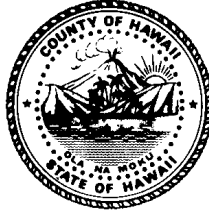
The Hawaii Department of Agriculture supports the intent of this bill and offers comments. The language on page 8, lines 3 to 21 establishes a timeline to effectively change the percentage allowed to label the geographic region for coffee. We support any measure that the legislature deems will be best for increasing the overall value of the local Hawaii coffee industry. The bill as it is currently written would be very difficult to enforce over the four-year period with four incremental percentage changes to the allowed geographic coffee origin. We believe that the fewest changes over the period will be more practical, so the industry will have time to adjust and comply with the law.



There is also no appropriation in this bill for inspection and enforcement personnel that would be needed to increase inspections necessary to make sure of compliance at local roasters and distributors and retailers. It would be an impossible task to attempt with the current staff. We would respectfully ask you to support funding a dedicated position at the SR-22 level, beginning salary of \$63,000 to enforce this law which will help rebuild the Department of Agriculture packaging and labeling enforcement capability that was eliminated in 2010.

Thank you for the opportunity to testify on this important measure.

Dr. Holeka Goro Inaba
Council Member, District 8, N. Kona



Office: (808) 323-4280
Email: holeka.inaba@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

County of Hawai'i
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740

February 23, 2024

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Mark M. Nakashima, Chair
Rep. Jackson D. Sayama, Vice Chair

Re: Support for HB2298 Relating to Consumer Protection
Hearing: February 27, 2024 at 2:00 p.m.

Aloha,

Thank you for allowing me to express strong support for this measure that would provide a phase-in to a 100% minimum for use of Hawai'i place names on the labeling of Hawai'i grown coffee; and

This bill also establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin.

Defending the integrity of Kona's premier origin product is crucial. Thank you for your time.

Sincerely,

DR. HOLEKA GORO INABA, Council Member
District 8, North Kona

HGI.wpb



HAWAII TEAMSTERS & ALLIED WORKERS LOCAL 996

Affiliated with the International Brotherhood of Teamsters

Local996@hawaiiiteamsters.com

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Honolulu, HI 96819-3205

Telephone: (808) 847-6633
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Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair
Committee on Consumer Protection & Commerce

Tuesday, February 27, 2024; 2:00 p.m.
Conference room 329 & Videoconference

RE: **HB 2298 Relating to Consumer Protection – In Opposition**

Aloha Chair Nakashima, Vice Chair Sayama and members of the committee:

Hawaii Teamsters & Allied Workers, Local 996 is in opposition to HB 2298, which establishes a timeline by which roasted coffee, instant coffee and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain percent coffee by weight from that geographic origin.

Currently, consumers can choose from a range of coffee products, from 10% Kona blend to 100% Kona coffee. This bill will reduce the volume of coffee purchased, roasted and packaged and as a result, a reduction in workforce would occur.

The different amounts allow for different blends for different flavor profiles enjoyed by a variety of different people around the world. Bags are clearly labeled with the percentage of coffee by “origin” which helps me as a consumer to know what to expect.

As this bill will have an adverse impact on our members, local suppliers and local farmers, we ask that you hold this bill.

Mahalo,

A handwritten signature in black ink, appearing to read "Lavaun Le'i".

Lavaun Le'i

Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair
Committee on Consumer Protection & Commerce

Tuesday, February 27, 2024, 2:00 p.m.
Conference room 329 & Videoconference

RE: **HB 2298 Relating to Consumer Protection – In Opposition**

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Consumers can choose from a range of coffee products, from 10% Kona blend to 100% Kona coffee. This bill will reduce the volume of coffee purchased, roasted, and packaged, resulting in a reduction in workforce.

As this bill will have an adverse impact on our members, local suppliers, and local farmers, we ask that you hold this bill.

Mahalo,



SANDY CHUNG

HB-2298

Submitted on: 2/23/2024 12:34:01 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Maria Holmes	Maui Oma Coffee Roasting	Comments	Written Testimony Only

Comments:

Aloha,

As buyers and roasters of Hawaiian Coffees, including Kona Coffee, we think the solution is to put in place and enforce strict truth in labeling laws. This gives different market sectors the option to buy and sell all coffees in a truthful and profitable way. No coffees are currently marketed by us would be in conflict with the proposed bill.

We do not feel the current bill as written allows this, and if "demand far exceeds supply", why not allow truthful blending ?

It seems an overreaction to the real problem of some companies exploiting loopholes in the current labeling requirements. Tight up the labeling laws with spot enforcement, but continue to allow blending with significant percentages stipulated and labeled accordingly.

Mahalo,

Maui Oma Coffee Roasting Co.

HB-2298

Submitted on: 2/23/2024 1:14:21 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brenda Trowbridge	Pohaku Coffee, LLC	Support	Written Testimony Only

Comments:

We need to do more to protect coffee farmers and small businesses on the island but this is a very good start. This legislation is a glimmer of hope for those of us who work so hard year after year but see little to no profit year after year. Businesses that have been around for well over a decade are still lucky to just break even! This does not give much hope for new small businesses and coffee farmers such as myself. So many have been forced to shut down. The only thing that keeps us going is the love of serving and serving only the very highest quality. Setting a standard on our island that denies bigger businesses from selling cheap inferior blends will hopefully benefit not only the little guy but also those bigger corporations who will no longer have a choice but to either support local or not sell it at all. By keeping the quality standard high, people will not mistake the cheap watered down flavor as 100% authentic flavor.

Kona Coffee is a beginning and I hope Ka`u Coffee will be soon to follow with similar legislation as well as further legislation for forgiveness for GE taxes for small businesses and farmers who make no profit or even go in the hole.

HB-2298

Submitted on: 2/23/2024 1:51:34 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Randyl Rupar	Sanctuary of Mana Ke`a Gardens	Support	Written Testimony Only

Comments:

To Whom It May Concern,

Kona Coffee stands out as one of the finest coffee varietals in the world. Allowing the marketplace to sell anything other than 100% Kona Coffee is an insult to our Kona Coffee Farmers.

Please allow this bill to pass protecting the valuable asset of 100% Kona Coffee.

Mahalo,
Randyl Rupar, President

Sanctuary of Mana Ke`a Gardens

HB-2298

Submitted on: 2/23/2024 3:57:53 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
bruce corker	Rancho Aloha Coffee Farm	Support	Written Testimony Only

Comments:

Dear Chair Nakashima and Members of the CPC Committee:

I am a coffee and avocado farmer in the Kona region of Hawaii Island and strongly support the enactment of HB2298.

For more than 30 years Hawaii has been the only region in the world to authorize the use of its regional names on packages of one of its specialty agricultural crops with only 10% genuine content. The marketing of these 10% blends damages the economic interest of Hawaii farmers and deceives consumers.

As shown by the more than \$41 million in settlement payments made by defendants in the recent class action lawsuit brought by Kona farmers alleging fraudulent labeling of coffee, the misleading labeling of Hawaii's specialty products is all too common. See, for example, the 2022 SF Chronicle article entitled "How US Businesses Are Cashing In On The Made in Hawaii Label". <https://www.sfgate.com/hawaii/article/hawaii-products-not-from-islands-17312415.php>

Hawaii needs to actively provide the protection for its farmers that other states provide to theirs--for example, **Idaho** for its potato farmers; **Vermont** for its maple syrup producers; **Georgia** for its Vidalia Onion farmers; **California** for its wine grape growers--all of which require 100% genuine content to use regional names on package labels.

Please support Hawaii farmers (and protect consumers) by passing this bill.

Thank you,

Bruce Corker, Rancho Aloha, Holualoa

HB-2298

Submitted on: 2/23/2024 4:34:12 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joanie Wynn	Kona Earth	Support	Written Testimony Only

Comments:

It is time to recognize the economic and cultural importance of 100% Kona coffee, only grown in a small, designated "coffee belt" on Hawaii's Big Island. By offering origin status protection - and only allowing true, 100% Kona coffee to use the name "Kona coffee", you are supporting farmers, honoring local tradition, and protecting Kona coffee's hard-earned reputation as a world-class coffee.

Kona coffee "blends" harm consumers by misleading them to purchase inferior coffee produced in other regions. Blends also harm Kona coffee farmers by devaluing their 100% Kona coffee products.

This action is long overdue. Please support HB2298 to set things right.

HB-2298

Submitted on: 2/23/2024 8:16:24 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mark Shultise	LaveRock Farm	Support	Written Testimony Only

Comments:

I fully support this bill.

In the past I have supported blends that properly identified their contents, but after the fraud perpetrated by blenders and other sellers, I have come to the realization that continuing to allow blending of origin coffee is fraught with peril.

Although we cannot easily stop blends being sold elsewhere I am encouraged that if a visitor to Hawaii buys something labeled as a Hawaiian origin location coffee, that they are getting exactly what is advertised.

Please pass this bill so that we can cut down on the misrepresentation of our coffee.

HB-2298

Submitted on: 2/25/2024 7:41:15 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Roger Kaiwi	Kona Coffee Council	Oppose	Written Testimony Only

Comments:

Aloha , My name is Roger Kaiwi. I strongly oppose HB 2298! This is yet another sad attempt by Hawaii Legislators and many hobby farmers to weaken our industry! We have many generational farmers that will be destroyed by this bill. I also believe that they same people that have already sued our customers in the mainland will use this to go after them again. We have already damaged our industry enough , we should not do anymore!

Roger Kaiwi

HB-2298

Submitted on: 2/25/2024 8:07:26 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Stacie Kaiwi	Kaiwi Farms	Oppose	Written Testimony Only

Comments:

I am strongly opposed to HB2298, I believe this is another sad attempt for the Hawaii Legislators to get involved with an industry that has already shown over two decades of farm gate value growth. We do not need help fixing an industry that is not broken. I strongly believe that the one who actually suffers will be the local generational farmer and not the recent Malahini who supports this bill. I urge the Hawaii Legislature to focus on more pertinent issues such as the Hawaii Public Educational systems, the recent Maui fire victims and programs for the elderly and leave healthy and thriving industries alone.

Thank you for your time.

Kindest Regards,

Stacie Kaiwi



IN SUPPORT OF HB2298
RELATING TO AGRICULTURE
Stricter Kona Coffee Labeling Laws

Aloha Chair, and Esteemed Committee Members,

The **Kona Coffee Farmers Association strongly supports HB2298** that would mandate all coffee labeled as Kona to be made of 100% Kona coffee beans. This bill would safeguard the quality and prestige of our product, as well as enhance the local economy, environment and state revenue as indicated by “Economic Report on Changes in Hawaii’s Coffee Labeling Law” (December 29, 2023)

This report, directed in Act 222 Economic Study reveals that "growers almost unanimously, see a chance for improvement and greater authenticity in the market" with 100% Kona. The study also predicts a net gain for the main stakeholders (growers) in the coffee supply chain, as well as a rise in demand, price, and tax revenue for the state.”

The existing law that permits only 10% Kona content in Kona blends is deceptive and unjust to consumers and producers alike. It lowers the quality and taste of our coffee and devalues our efforts to produce coffee with the highest standards and sustainable practices. It also puts us at a competitive disadvantage in the global market where other regions have stricter regulations and labeling requirements that preserve product integrity and quality .

By approving this bill, you would not only respect the heritage and tradition of Kona coffee but ensure its future sustainability and success. You would also convey a clear message that Hawaii values its unique agricultural products and supports its local farmers.

I appreciate your consideration and attention to this vital issue.

Mahalo nui loa!

Mark Petersen
President

HB-2298

Submitted on: 2/25/2024 11:39:28 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Greenwell	Greenwell Farms	Support	Written Testimony Only

Comments:

Greenwell Farms fully supports HB2298 as written. We are Growers, processor, roaster and retailer of 100% Kona Coffee. We Farm nearly 200 acres of coffee, processed nearly 3 million pounds of coffee cherry and roast about 275 thousand lbs of coffee in Kona yearly. We humbly request your support for HB2298

Thank you,

Thomas Greenwell

Thomas Greenwell

owner of Greenwell Farms Inc

HB-2298

Submitted on: 2/25/2024 1:52:59 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Colehour Bondera	Kanalani Ohana Farm	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members:

Many thanks for hearing this important piece of legislation.

Please accept this as strong encouragement for your support of HB2298 regarding consumer protection in Hawaii coffee labelling.

As a long-time and committed diversified farmer who includes Kona coffee in our crops (for over 22 years), it is consumer deception which has been of the most significant concern for our farms' marketing.

Consumers trust labels in the USA, and in Hawaii has allowed deceptive labels on coffee products for decades. The costs of such allowances have been born by the coffee farmers. Hawaii must look out for Hawaii farmers.

As a farmer, I have long been involved with efforts at the local (farmer groups, County and State legislative actions) to protect the name uses of place of origin for coffee. This has been hard, especially since at the Hawaii legislative level, the voices most listened to are those who speak for coffee industry groups. Such groups and companies are looking out for their own economic interest and/or the interests of coffee processors well before the needs and interests of coffee farmers.

Small-scale Kona coffee farmers have little chance to be heard when we cannot always send a lobbyist to guide or sway decision making in Honolulu. My time has long been used as one of the primary founders and members of the Kona Coffee Farmers Association (KCFA) who has served as group President. Service as President has been as long as any other individual.

While this work has yielded little benefit for farmers through work at the local level, efforts have been put forth to affect the constructs at the national level for which I have served over the years as the President and Board member of the American Origin Products Association (presently not active); working with other leaders from entities such as Idaho Potatoes, Napa Valley Vintners, New Mexico Chiles, and Vermont Maple Syrup. We have long sought to have better ways for protection to be achieved.

Separately, as a lead plaintiff in a lawsuit about deceptive marketing, it has been wonderful to see Kona coffee farmers receive reimbursement for the mis-use of product name through product testing, which has resulted in proof that labels are not accurate. This effort is supported by the Lanham Act, which essentially comes down to truth-in-labelling.

Further, the efforts of the largest and best recognized product protection group, oriGIn (<https://www.origin-gi.com/>), based in Geneva, Switzerland, are to be recognized as vital for international protection. The group is based in Geneva to work directly and effectively with international law and the United Nations to establish rules and laws which can ensure that local and national regulations are followed and enforced through trade and marketing worldwide (remember that coffee is a much moved product around the world). We can and must recognize and work with oriGIn to be sure that products like Kona coffee (and other Hawaii coffees) are provided their due protection around the world.

While national and international efforts are important, and we can and should seek to protect our products at those levels and in those ways, we must start at home. Hawaii must look out for Hawaii farmers. The means to do so is to enact legislation which requires that what is stated on packaging is indeed what is in the product. In the case of coffee, that means that if a place of geographical identity (such as Kona, Hawaii) is marked as what is in the bag of coffee, that the content matches.

It is deceptive for consumers, and degrades the perception when a product which bears a designated name is tasted and associated with the place of origin, when a majority of the product is not what is contained in the product tasted. We can and should work together so that this deception does not happen in Hawaii or with products which carry the names of Hawaii geographical districts or regions.

This piece of legislation follows many years of effort and attempts to protect the farmers of Kona and other Hawaii coffees. During the last legislative session, it was requested that a study be commissioned by HDOA to look at economic impact of changes in coffee blend label requirements in Hawaii. This now completed effort had many of the short-comings (including limited budget and time constraints) of the 2010 piece of work done by economist Dr. Feldman, in, "Economic Effect of Blending Kona Coffee" however reached the same conclusions. Farmers are suffering economically as the result of existing rules, and changes would mean that farmers are better supported, and consumer deception would wane as a result.

At the end of the day, products such as Kona coffee, produced by many hundreds of farmers, would still sell out, with the profit margins shifting from coffee processing companies to coffee farmers, who better deserve their share and would thereby better support Hawaii economy which consumers worldwide would then more truly understand what products with labels that include, "Kona Coffee" for example, actually mean...

Thank you for your serious consideration for this important piece of legislation.

Please contact me upon any need to do so.

Colehour Bondera

KANALANI OHANA FARM

colemel2@gmail.com

Aloha

This testimony is from Phil and Clare Wilson, owners and operators of a 10 acre coffee and macadamia nut farm near Holualoa in Kona on the Big Island. Huahua Farm grows, processes, packages and sells 100% Kona coffee. We believe the law should be changed to permit only sales of 100% Kona coffee if the word Kona is on the label.

We agree with the agricultural economists' study that changing to 100% Kona coffee sales (eliminating the 10% blended sales) will increase supply and sales of Kona coffee, which benefits growers and consumers alike. The study found that purchasers of 10% Kona coffee did so based on quality and taste; the same reasoning as 100% purchases. This establishes the long standing geographical identity and award winning reputation earned by 100% Kona coffee.

The study found that moving to 100% Kona coffee would enhance the geographical integrity of the Kona name, provide a higher quality experience for the consumer, and provide an incentive for increased supply, thus benefitting growers.

It is time that the legislature align common sense practice favoring growers and consumers rather than supporting special interest middlemen.

Mahalo



PO Box 168, Kealahou, HI 96750

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 27, 2024

2:00 PM

RE: STRONG SUPPORT for HB2298; Relating to Consumer Protection

Aloha Chair Nakashima, Vice Chair Sayama and members of the committee,

I am Chris Manfredi, testifying on behalf of Hawaii Coffee Association.

The HCA stands in **STRONG SUPPORT** of HB2298.

In 2022, following extensive testimony, Hawaii's legislature passed HB1517 and Act 222 was signed into law. Act 222 directed Hawaii's Dept. of Agriculture to "conduct an independent study to assess the economic impact on local coffee farmers and the local coffee industry from potential changes to coffee labeling requirements..."

We urge the committee to review the findings of this independent study. Its conclusions and recommendations include:

"Transitioning from a 10% blend to a 51% blend or 100% Kona coffee redistributes the economic surplus (or "rents") from downstream intermediaries (e.g. blenders and roasters) to growers and consumers. This shift, detailed in Figure 4, suggests a net gain for the primary stakeholders in the coffee supply chain."

"There is clear economic justification to increase the minimum content requirement for Kona coffee."

Poor-quality blended coffee introduced into the marketplace undermines Hawaii's growers and producers, who are forced to compete foreign-grown products that carry the name of Hawaii's growing regions. Additionally, these inferior blends serve to undermine Hawaii's brand identity for outstanding quality. Our reputation for high quality is vital for our success and necessary due to our high cost of production. These deceptive products are often priced below the cost of production of genuine Hawaii-grown coffee. This creates downward price pressure. This, during a time when costs are increasing for producers. Labor, fertilizer, pest control, and transportation costs have all risen sharply. Hawaii's coffee growers are being squeezed between a high cost of production and unfair competition posed by inferior foreign-grown blends.

Further, we oppose the practice of importing raw, foreign-grown coffee into our coffee growing regions and fragile ecosystems. These shipments are a prime vector for the introduction of invasive species, like coffee berry borer and coffee leaf rust. These pests and disease are devastating to Hawaii's coffee growers, strain our resources and threaten our viability.

We respectfully ask you to pass HB2298.

Please accept our thanks on behalf of Hawaii's coffee producers.

The Hawaii Coffee Association's (HCA) is a non-profit organization whose mission is to represent all sectors of the Hawaiian coffee industry. Our members are located throughout the State of Hawaii and positioned throughout the supply chain.

Coffee: Labeling for Hawaii Grown Coffee

Comments & Support from Ka'u Coffee Growers Cooperative, Pahala, Hawaii

The Ka'u Coffee Farmers' Cooperative representing 95% of the coffee farmers in the District of Ka'u of Hawaii Island that HB 2298 be enacted for a phased-in approach to a 100% minimum for use of Hawaii place names on labelling of Hawaii grown coffee. The coffee industry has been seeking these changes for more than 30 years.

Although Hawaii accounts for less than 1 % of the global coffee production, the crop is in excess of \$50 million for the State of Hawaii, the only coffee growing region in the United States. Coffee related economic activity represents 1.6% of total U.S. GDP, responsible for 1.7 million jobs and generates \$28 billion in taxes (Source: NCA USA Economic Impact).

The growth of the coffee industry in Ka`u District on the Island of Hawaii, is a testament to the hard-working farmers, and it would be a shame if the percentage of foreign grown coffee in "blends", is not appropriately disclosed to consumers.

The enactment of HB 2298 will further support the coffee farmers to stay in business and protect the market from aggressive and unethical marketing techniques. Passage of this legislation will develop a more independent and successful business community that will take the internationally recognized U.S. grown coffee to consumers on the world stage.

Miles Mayne

Director – Kau Coffee Growers Cooperative.

HB-2298

Submitted on: 2/25/2024 11:01:19 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cynthia Maryanoff	Absolute Palate, LLC	Support	Written Testimony Only

Comments:

Testimony in strong support of HB2298

Dear Representatives,

I submit this written testimony **in STRONG SUPPORT of HB2298**

Our entire family are working members of our farms. We have two working Kona coffee farms [Honalo Farm and Cynthiana Farm]. **We produce KONA typica coffee, an heirloom variety of *Coffea arabica*, a long-established and traditional coffee of Hawai'i.** We are fighting Coffee Borer Beetle [CBB, thankyou for your support], Coffee Leaf Rust [CLR, thankyou for your support] and trying to recover from the “Kona LOW cyclone” damage of December 2021. **WE NEED YOUR SUPPORT of HB2298now more than ever! 2022 yields of KONA coffee were extremely diminished due to CLR and weather damage so we need this passed now please!**

The new law does require more information but does not make blenders specify that it is *Arabica* so the remaining could be inexpensive **Robusta coffee during the transition time to 100%**, from the plant *Coffea canephora* estimated to account for more than 40% of the world supply of coffee. The current bill is an excellent start especially if we actually get to 100% KONA labelling! Requiring the remaining % to be identified as *Arabica* or much less expensive *Robusta* would make it even stronger as Kona Typica is *Arabica*!

Please note that agricultural products from all over the world are, and have been, protected by laws that control their identity as to place of origin and unique characteristics.

Some notable examples include wines, cheeses, olive oils, specialty vinegars, spices, and condiments. Coffee produced in Kona and other notable Hawaiian appellations deserve to be treated in the same manner. The Kona brand must have its integrity protected to command high respect in the coffee world.

Our reasons for **strong support of HB2298**

1. Misleading labeling is fraudulent – consumers should be able to know what they are actually paying for. That **Misleading labeling is fraudulent** has already been proven in at least one class action lawsuit [Corker, et al. v *COSTCO WHOLESALE CORPORATION* [case no.2:19-cv-00290-RSL] in the United States District Court for the Western District of Washington as settlement benefits have been sent].

2. Use of the name without requiring the content exploits the region and deprives farmers of income. Further, not even identifying the coffee as Arabica or Robusta is also misleading. Our legislature has /continues to support farmers in their fight against Coffee Borer Beetles [THANKYOU VERY MUCH] and Coffee Leaf Rust [THANKYOU VERY MUCH] so please move forward with support of HB2298.

3. Low quality coffee is being sold under a prestigious name and results in lowering standards and damaging the brand. Possible blending with Robusta coffee also damages the brand.

The blenders, many owned by large companies, strongly oppose this change because they are making a fortune selling inexpensive coffee, which may not even be *Arabica* as "Kona" or "Ka'u," or "Maui" to unsuspecting customers.

Finally, last year's Act 222 Economic Study on Kona blending is in agreement that it is in the interest of Hawaii to stake its claim and have all the world recognize what REAL 100% Kona coffee tastes like! It is indeed unique and wonderful!

Hawai'i needs to step up and protect the brand integrity of its premier Arabica coffee brands that are grown throughout the islands. Thank you for your positive consideration and passage of **HB2298**

Sincerely,

Cynthia A. Maryanoff

cmaryanoff@comcast.net

Co-CEOs, and CTO, Absolute Palate LLC

24 Feb 2024

HB-2298

Submitted on: 2/25/2024 11:15:34 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bruce Maryanoff	KCFA	Support	Written Testimony Only

Comments:

Dear Representatives

I submit this written testimony **in STRONG SUPPORT HB2298.**

Our entire family are members of **Kona Coffee Farmers Association** .On behalf of the more than 300 members of the **Kona Coffee Farmers Association**, we are submitting this written testimony. We have two working Kona coffee farms [Honalo Farm and Cynthiana Farm]. **We produce KONA typica coffee, an heirloom variety of *Coffea arabica*, a long-established and traditional coffee of Hawai'i.** We are fighting Coffee Borer Beetle [CBB, thankyou for your support], Coffee Leaf Rust [CLR, thankyou for your support] and trying to recover from the “Kona LOW cyclone” damage of December 2021. **WE NEED YOUR SUPPORT of HB2298 now more than ever! 2022 yields of KONA coffee were extremely diminished due to CLR and weather damage so we need this passed now please!**

Currently blenders do not have to specify if the blending coffee is *Arabica* so the remaining could be inexpensive **Robustacoffee**, from the plant *Coffea canephora* estimated to account for more than 40% of the world supply of coffee. The current bill is an excellent startGetting to 100% is mandatory so folks can really enjoy the fine taste of this island!

Please note that agricultural products from all over the world are, and have been, protected by laws that control their identity as to place of origin and unique characteristics. Some notable examples include wines, cheeses, olive oils, specialty vinegars, spices, and condiments. Coffee produced in Kona and other notable Hawaiian appellations deserve to be treated in the same manner. The Kona brand must have its integrity protected to command high respect in the coffee world.

Our reasons for **strong support of HB2298:**

1. **Misleading labeling is fraudulent** – consumers should be able to know what they are actually paying for. That **Misleading labeling is fraudulent** has already been proven in at least one class action lawsuit [Corker, et al. v *COSTCO WHOLESALE CORPORATION* [case no.2:19-cv-00290-RSL] in the United States District Court for the Western District of Washington as settlement benefits have been sent].

2. **Use of the name without requiring the content exploits the region and deprives farmers of income. Further, not even identifying the coffee as Arabica or Robusta is also misleading. Our legislature has /continues to support farmers in their fight against Coffee Borer Beetles [THANKYOU VERY MUCH] and Coffee Leaf Rust [THANKYOU VERY MUCH] so please move forward with support of SB746 SD1.**

3. **Low quality coffee is being sold under a prestigious name and results in lowering standards and damaging the brand. Possible blending with Robusta coffee also damages the brand.**

The blenders, many owned by large companies, strongly oppose this change because they are making a fortune selling inexpensive coffee, which may not even be *Arabica* as "Kona" or "Ka'u," or "Maui" to unsuspecting customers.

Hawai'i needs to step up and protect the brand integrity of its PREMIER Arabica coffee brands that are grown throughout the islands. Thank you for your positive consideration and passage of **HB2298**

Sincerely,

Bruce E.Maryanoff

bmaryano@comcast.net

Co-CEO, and CSO, Absolute Palate LLC

24 Feb 2024



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 27, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TESTIMONY ON HB 2298
RELATING TO CONSUMER PROTECTION

Conference Room 329 & Videoconference
2:00 PM

Aloha Chair Nakashima, Vice-Chair Sayama, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 2298, which establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin.

Hawai'i-grown coffee is recognized for its high quality and aromatic flavor. Hawai'i-grown coffee is held to a set of quality standards that makes it one of the most expensive coffees in the world. It is one of Hawai'i's signature crops.

The 2021-2022 USDA National Agriculture Statistics Service (NASS) of Hawai'i Agriculture estimated the value of Hawai'i-grown coffee at \$61.9 million and ranked as coffee fifth in the top twenty agricultural commodities in the State.

To protect the Hawai'i coffee industry from counterfeiting, the legislature in 2012, enacted Act 323, which established criminal penalties for Hawai'i-grown cherry, parchment, and green coffee that is falsely labeled with regard to the geographic origin. However, in addition to the geographic origin, stricter enforcement of the labeling restrictions based on the quality of the coffee being sold is critical to prevent further counterfeiting of Hawai'i's recognized high-quality coffee.

Thank you for the opportunity to testify on this measure.



Feb 17, 2024

'Āina Design Corp.
1105 Uluopihi Lp.
Kailua, HI 96734

RE: HB2298

Dear Legislative Team,

Given the extensive research findings of our Kona-branded coffee, we are in full support of HB2298. Local supply chains must deal with the uniqueness of Hawaii-made, grown, and produced agricultural products through genuine concern over quality and even more importantly, the benefit to consumers, both domestic and foreign. Our state partners must see this legislation both economically and environmentally to connect with our community of growers and producers who have the field knowledge to deliver any consumer-promised goods. This way, fairness in trade can eventually extend to how industry stakeholders connect to a more knowledgeable consumer inundated with many other brand campaigns, good or bad.

Sincerely,

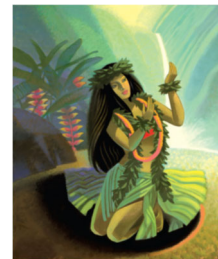
Joe Hagedorn

Founder, 'Āina Design Corp.



HAWAII COFFEE COMPANY™

1555 Kalani Street
Honolulu, Hawaii 96817
Ph: 808-847-3600
Fax: 808-847-7900
www.hicoffeeco.com



TO: Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair
Committee on Consumer Protection & Commerce

FROM: Gerard Bastiaanse
President- Hawaii Coffee Company

RE: **HB 2298 - Relating to Consumer Protection – Concerns, Request amendments**
Tuesday, February 27, 2024; 2:00 p.m.
Conference Room 329 & Videoconference

Aloha Chair Nakashima, Vice Chair Sayama and members of the committee:

Hawaii Coffee Company has concerns with HB 2298, which establishes a timeline by which roasted coffee, instant coffee and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain percent coffee by weight from that geographic origin.

HB 2298 increases blend requirements up to 25% from July 1, 2024 - June 30, 2025, up to 50% from July 1, 2025 - June 30, 2026, up to 75% from July 1, 2026 - June 30, 2027, and 100% from July 1, 2027 and on. Allowing only one (1) year for each transition period is unduly burdensome and not commercially reasonable as it would require significant economic investment to modify packaging every year (*e.g.*, complete redesign or, at minimum, placement of label stickers over existing packaging). Without adequate time to sell-off existing inventory before the increased minimum weight percentages take effect, businesses will be forced to dispose of millions of dollars of product. Indeed, even the recent coffee labeling law study funded by the Department of Agriculture recognized that a more effective approach to mitigate industry shock is to provide a longer lead time for the industry to prepare for the new requirements.

Hawaii Coffee Company offers a range of coffee, from 10% Kona blend to 100% Kona coffee as well as similar consumer coffee blend options from other Hawaii coffee growing regions. We believe it is important to offer consumers a range of coffee products so they have options to choose based on taste preferences and affordability. HB 2298 will force consumers to either select another affordable alternative roasted on the mainland or abroad, by a mainland or international company, or to pay a much higher price for a 100% Kona coffee product. Additionally, this bill will reduce the volume of coffee purchased, roasted and packaged at our facility in Kalihi. As a result, the number of employees we currently employ would not be sustainable and a reduction in workforce would occur.

Based on the foregoing reasons, if the Committee is inclined to pass this measure, we ask for your consideration of the following amendments:

- Amend to allow for a commercially reasonable phasing in of increased blend requirements of a two-year period, instead of one, beginning after July 1, 2025.
- We suggest increasing the blend requirement up to 50% only and then reassessing the economic impact on local coffee farmers and the local coffee industry from the changes to the coffee labeling requirements in HRS § 486-120.6.

The recent coffee labeling law study recognized that the limited availability of data and the constrained project timeline significantly impacted the precision of the study's conclusion. Collecting and analyzing more data will allow for a better understanding of the impacts on the market.

- With the commercially reasonable two-year phasing in period of the increased blend requirements, beginning after July 1, 2025 as described above, the bill's proposed sell-off period through December 31, 2024 is unnecessary and may be deleted.
- Finally, we ask that HB 2298 amend HRS § 486-120.6(b) to replace the word "foreign" ("Foreign-grown Coffee") in subsection (b) be replaced with "international." The word "international" does not change the intent of HRS § 486-120.6.

HB 2298 also prohibits the use of or require alteration of federally registered trademarks that incorporate geographic designations of origin (such as Hawai'i, Kona, or Ka'u) with coffee products that contain some, but less than the proposed minimum blend requirement. In that regard, it may be preempted and rendered unenforceable to the extent it conflicts with the Lanham Act, and potentially lead to lawsuits challenging the validity of HB 2298.¹

Federal trademark laws are designed to promote and encourage uniform trademark use, and to discourage activities which would result in confusion among purchasers. Local trademark display regulations which require alterations of federally registered marks for local use conflict with federal law and underlying public policy. To the extent that the proposed legislation purports to require alteration of one of Hawaii Coffee Company's federal registered marks, federal trademark law would preempt the Hawaii law.

Thank you for the opportunity to express our concerns. We ask that this measure be held, however should you be inclined to pass it, we urge your consideration of our requested amendments to ease the burden on businesses.

¹ A trademark can be any word, phrase, symbol, design, or a combination of these things that identifies the source of goods or services. Hawaii Coffee Company is the owner of a number of well-known and widely recognized federal and state trademarks ("HCC Marks"). Hawaii Coffee Company has spent significant time, energy, and expense promoting the HCC Marks and the HCC Marks have accrued considerable value and goodwill to Hawaii Coffee Company. Hawaii Coffee Company's claims of ownership in the HCC Marks are based upon long existing and clearly delineated common law and statutory rights. These rights constitute legally protectable property.

HB-2298

Submitted on: 2/26/2024 8:47:27 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
James Scott Bedingfield	Kona Coffee Farmers Association.	Support	Written Testimony Only

Comments:

I write in support of HB 2298 to establish the requirement that all coffee sold in the state of Hawaii be 100% from the origin indicated on the label, specifically Kona coffee. As the Guild Report that was solicited by the Hawaii Dept. of Agriculture clearly establishes, the Kona coffee 'brand' commands a premium price in the market. It is important that brand not be diminished by heavy blending and deceptive marketing. It is also important and only fair that the growers and processors of this high quality product receive the full financial benefit of the reputation their coffee has earned.

Most Kona coffee growers, including us, are small operations - 5 acres or less. Producing high quality coffee is a labor-intense effort, and growers in particular face recent new challenges that make profitability even more difficult. Farmers are now in a constant battle with the coffee borer beetle and coffee leaf rust fungus, on top of root nematodes and climate change. We are all working on longer term solutions to these issues with the help of the State Dept of Ag. In the meantime, it is imperative that the legislature fully adopt and support HB 2298 and protect the farmers from those would dilute and syphon off the benefits of all those efforts.

I am relatively new as a Kona coffee grower, having been in business only 10 years this year. One of the most remarkable things to me about entering the industry was the openness and willingness to share knowledge, experiments and innovations between growers. There was an understanding that we are all in this together, and that the passion for producing the best coffee means we need to share whatever we learn. That kind of trust and collaboration are far too rare these days, and I believe no small part of the continued growth in Kona coffee's quality and reputation. I can't help but feel that the coffee blenders that take advantage of our shared commitment to excellence are not only robbing us of effort and income, but also stealing the good will and trust among our growers and processors, a deep and true example of living aloha in Hawaii. That needs to come to an end.

thank you

HB-2298

Submitted on: 2/26/2024 8:56:07 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Katherine Trevithick	Kona Coffee Farmers Association	Support	Written Testimony Only

Comments:

As a Kona Coffee Farmer, I support HB2298 which would phase out blends of Kona coffee, and only allow 100%. Kona coffee is unique and highly sought after and needs to be protected from being diluted.

Thank you for your consideration.



1050 Bishop St. PMB 235 | Honolulu, HI 96813
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Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Immediate Past Chair*

TO: Committee on Consumer Protection and Commerce

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 27, 2024
TIME: 2pm
PLACE: Room 329

RE: HB2298 Relating to Consumer Protection

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Chair Nakashima, Vice Chair Sayama, and Members of the Committee,

HFIA has some concerns about this measure. Our main area of concern is that if passed this measure would leave Hawaii retailers that sell local coffee with just six months to work with their suppliers and distributors across the state to make the change, and sell of all existing coffee products. Many coffee products have a fairly long shelf life and this is a very rapid time frame to mandate an industry wide change.

We're also concerned at the lack of specificity in section (1) of the measure. It does not say what the newly mandated percentage will be. It also does not give details about the "phase in" to 100%. What will the time frame for that be? How many phases will it entail and will there be new and specific labeling requirements for each phase?

It is our position that the current labeling mandates are sufficient, and that this measure as written raises a range of unanswered questions and has the potential to have unintended negative consequences for local businesses. Thank you for the opportunity to testify.

HB-2298

Submitted on: 2/26/2024 9:27:58 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacqueline Wikum	Pohaku Farms	Support	Written Testimony Only

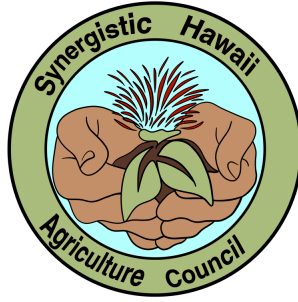
Comments:

Aloha Chair and Committee Members,

As the President of a multi-generational coffee farm, I fully support the increase to 100% Hawaiian origin.

Act 222's Economic Study, funded by your Legislature, makes it clear that increasing the ratio will benefit those who work so hard to grow Hawaiian coffee. And also benefit consumers who buy Hawaiian products. This is a win-win situation.

Thank you
Jacqueline Wikum



RE: SUPPORT for HB2298

RELATING TO CONSUMER PROTECTION

Consumer Protection; Coffee Labeling; Geographic Origins; Prohibitions

Aloha Chair, Vice Chair, and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in **strong support** of this Bill. Our consortium represents 1,500 coffee macadamia, papaya, and floriculture agribusinesses. SHAC's growers, processors, and shippers stretch across the State.

Among other programs, SHAC receives Federal USDA marketing funds to promote 100% Hawaiian origin products. We find that the **demand for 100% Hawaiian products far exceeds available supply**. This is particularly true with coffee. Quite simply, there is not enough Kona, Maui, or Ka'u coffee to meet the global desire for Hawaiian coffee. As the Act 222 Economic Study made clear, demand for Kona, in particular, is inelastic and increasing the blend ratio will have little effect on the quantity demanded or supplied.

Raising the bar to 100% Hawaii origin aligns with the recommendations of the Act 222 Economic Study just completed under the HDOA.

The study stated "There is clear economic justification to increase the minimum content requirement for Kona coffee" (p.6). Transitioning from a 10% blend to 100% Kona coffee "redistributes the economic surplus (or "rents") from downstream intermediaries (e.g. blenders and roasters) to growers and consumers" (p7). The growers, who understand their market better than anyone else, are requesting this change. It will raise their income, protect their brand, and be beneficial for the State's tax revenue (p7).

Passage of this Bill also provides consumers with correct labeling information. Food labels are a critical component of our agricultural economy, affecting a farmer's ability to earn a fair price for their products.

Mahalo nui loa for supporting this bill!

Suzanne Shriner
Administrator

An Equal Opportunity Cooperator
Hawai'i Coffee Association • Hawai'i Floriculture and Nursery Association
Hawai'i Macadamia Nut Association • Hawai'i Papaya Industry Association
190 Keawe Street Suite 25, Hilo, Hawai'i 96720
info@SHACHawai'i.org

HB-2298

Submitted on: 2/26/2024 10:22:54 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Johansen	Cyanotech Corporation	Support	Written Testimony Only

Comments:

Cyanotech Corporation supports truth in labeling for Hawaii grown coffee to protect the reputation of Hawaii-grown coffees as premier, to protect the Hawaii Brand, and to protect consumers from purchasing misleading coffee blends.

As a grower of microalgae for dietary supplements on the island of Hawaii, we are proud of and know the value of labeling and advertising Hawaii grown products. We are a publicly held company, which employs approximately 85 people, and generates close to \$25 million in annual revenue. Part of our success comes from the fact that we are located in a unique geographical region that enables us to grow high quality products. Competitors that falsely claim Hawaii origin are not only misleading consumers but minimizing the consumer's experience of products made from the region and degrading the reputation of Hawaii grown products.

We strongly support HB2298. Thank you for your time and consideration.

HB-2298

Submitted on: 2/26/2024 11:19:24 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sharlene Gee	Bea's Knees Farm	Support	Written Testimony Only

Comments:

I am a Kona coffee farmer and a Kona Coffee Farmers Association member testifying in strong support of HB2298, pertaining to coffee labeling. Our family farm is small, under five acres. My great-grandparents on down have been involved with growing Kona coffee.

The Hawaii-related designations are names used because of their high reputations. Using those geographic names when only a portion of coffee is from that geographic origin is misleading. There should be truth and transparency in labeling. The current requirements result in product that's confusing to consumers and cheapens and damages our brand of 100% Kona, Ka'u, other single geographic origins, and Hawaiian. Act 222 Economic Study on Kona blending supports this.

Let's address this correctly now.

Hawaii must protect the integrity of its premier coffee brands grown throughout the islands. Thank you for your positive consideration and passage of HB2298.

HB-2298

Submitted on: 2/26/2024 11:33:29 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
James Kimo Falconer	Hawaii Coffee Growers Association	Support	Written Testimony Only

Comments:

Aloha Chair Nakashima, Vice Chair Sayama and members of the CPC committee.

On behalf of the Hawaii Coffee Growers Association, we ask your committee to support HB 2298. This measure will finally assist the industry in addressing the misrepresentation of coffee origin labeling. Claiming a coffee as a certain perceived quality in the marketplace hurts the farmer and damages the integrity of the industry.

Fighting to protect the true value of Hawaiian coffee, known to be some of the finest coffees in the world, needs enforceable rules to stop this abuse by those masquerading as genuine Hawaiian Coffee brands.

Thank you for the opportunity to testify.

HB-2298

Submitted on: 2/26/2024 12:09:51 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel Sheen	Makapueo Farms	Oppose	Written Testimony Only

Comments:

Without local companies blending, I'm afraid we will not have enough of a demand. There will be no market to sell 100% Ko a for \$80/lb. Kona has simply priced itself out of the market.



**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 27, 2024
HB 2298 RELATING TO CONSUMER PROTECTION.**

Good afternoon, Chairperson Nakashima and members of the House Committee on Consumer Protection and Commerce. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We respectfully oppose HB 2298. This measure establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin.

While we understand the intent, we realize the harm of this measure to retailers as well as to the local coffee industry. **Locally grown coffee like that from Kona is already one of the most expensive coffee beans in the world.** To mandate that in a couple of years, 100% of the coffee used must come from local beans to be called Kona or Kauai coffee as an example would drive the price per bag up significantly. The average businesses, visitors, and locals may stop carrying or purchasing bags if the locally grown coffee becomes too expensive.

Under this measure, retailers we would be required to change out our inventory on an annual basis to keep up with the increase in the minimum blend requirements = up to 25% starting on 7/1/2024 to 6/30/25, up to 50% starting 7/1/2025 to 6/30/2026, up to 75% starting on 7/1/2026 to 6/30/2027 and 100% starting on 7/1/2027. **This means that every year the remaining coffee on the store shelves and in our warehouses that do NOT meet the minimum standard deadline will be sold at a loss with deep discounts or must be discarded. Retailers would be penalized with fines and, potentially, lawsuits if a blended product does not meet the increased requirement for the following year and remains on the shelf.** This could be from an oversight or just human error. **In addition, retailers may refuse to carry local coffees on their selves to avoid any penalties.**

We are also wondering who is going to check to see if the coffee does indeed meet the percentage requirements. Retailers do not have the knowledge, equipment, or expertise to ensure the percentage of beans in each bag, however if we do not meet the requirement, we will be heavily penalized.

Furthermore, manufacturers and retailers of local coffee know the price point that their consumers are willing to pay. **By annually mandating an increase in minimum percentage of locally grown coffee, the cost of this product would significantly increase and may be a deterrent for people and businesses to purchase locally grown coffee and find cheaper alternative brands that are not from local coffee growers. We need to help to promote and encourage local business and not deter people from purchasing our local products because they are too expensive.**

Currently many of our visitors return home with bags of local coffee to reminisce about their stay on the islands. Local restaurants use coffee grown in Hawaii. Residents enjoy local coffee in their homes. The

majority who purchase and consume are well aware that the coffee they are purchasing is at least 10% a blend to 100% locally grown coffee beans. With the current drop in visitors and customers in restaurants and many retail stores, businesses are very cognizant of ordering supplies conservatively as well as the price point. We do not want to see our local coffee become so expensive that many locals are not able to afford to purchase a bag to brew at home or the visitor not willing to pay the price to be able to get a taste of what the islands have to offer with a sip of coffee with locally grown beans.

Retailers like many businesses are struggling to survive and to keep their employees employed. **We cannot afford to be penalized or annually having to dump our inventory over the next few years if we are not in compliance. Furthermore, we do not want to see our local products being priced out of the marketplace to where only the wealthy can purchase and not the average local Kama'aina or business.**

Mahalo for this opportunity to testify.

HB-2298

Submitted on: 2/26/2024 12:18:20 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Wicklander	Aloha Hills Kona Coffee LLC	Oppose	Written Testimony Only

Comments:

I represent a coffee mill in Kona. We sell around 120,000 lbs of green Kona Prime coffee beans each year.

I do not accept the findings in the act 222 study. I was never contacted to share any information that could have been beneficial to this study.

I feel HB2298 is selectively looking out for the small farmers while ignoring the necessity of larger mills needing multiple paths for selling their wholesale green coffee. Yes! This includes the option of selling to Companies who sell Kona Blends.

The crop of 2022-23 had the lowest yield I have seen in my 21 years of growing Kona coffee. Yet with the low yield of last season green coffee producers throughout Kona have still seen slow sales and declining prices with the current crop. Usually a low yield means high demand the following season. One reason for slow sales can be attributed to blenders concern about HB2298.

I urge that HB2298 does not pass and send my business into the possibility of unknown economic hardships. Thank you.

Testimony - HB2298

As the director of marketing for a Kona Coffee company, I hope that you heed my words on the matter and take into account the perspective of marketing opportunities only available by means of offering a Kona coffee blend.

As a lifelong coffee enthusiast and advocate for the Kona Coffee niche, I strongly oppose the proposed law to prohibit blending Hawaiian origin coffee. It is important to note that enacting laws which go against the ability for coffee farms in the state of Hawaii to blend Hawaiian origin coffee will have a direct and drastic effect on each and every one of our economies which have a backbone in the coffee industry by means of agriculture, processing, distribution, and more.

Pricing

Blending Kona Coffee with other varieties allows for the creation of more affordable options without sacrificing quality. This is not only beneficial to the farmer/producer, but for the consumers as well, because, as we know, not everyone can afford a \$60 bag of coffee to last them 2 weeks. Restricting local companies with this law will enable consumers to opt for cheaper options. If the price of our coffee raises \$2 in-house, consumers will likely choose more financially convenient alternatives such as chain companies, driving local companies such as ourselves out of business. Please take note of this as this affects the lives of each and every individual on my staff as well as their families.

Cumulative Feedback

As someone deeply rooted in this industry niche, I can attest to the invaluable contributions of blending in enhancing the flavor profile and richness of Kona blends by subduing the acidity which comes from Kona Coffee and its notorious growing conditions. I've been in this niche for 7 years now and this feedback has become extremely common over my time in the industry with a positive outlook on these blends. Banning the blending of Kona coffee would not only stifle innovation and creativity in this industry of coffee experts and those alike, but also disregard the rich and harmonious profiles that a Kona blend has to offer.

Market Analysis

Blending provides economic opportunities for local farmers and roasters, allowing them to attain the market by bypassing the niche of high-end specialty coffee and hit the broader market. This would unjustly limit consumer access to a wider range of Hawaiian origin coffee products. Therefore, without the ability to blend, local coffee companies such as ourselves working towards that broader market would fail to obtain it and would lose our opportunity to scale and further provide for our local communities.

Instead of implementing restrictive measures, efforts should be focused on promoting transparency and authenticity in labeling, ensuring consumers have access to accurate information about the origin and composition of their coffee blends. More specifically, there should be strict regulations in place to ensure that these blends are honest and true to their

packaging. This way, we can celebrate the unique flavors of Kona origin coffee while also embracing the creative potential of blending to elevate the coffee experience worldwide.

HB-2298

Submitted on: 2/26/2024 1:27:59 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jesse Kaiwi	Hawaii Coffee Company	Oppose	Written Testimony Only

Comments:

I'm opposing HB2298. I'm currently the general manager of Hawaii Coffee Company. I've been in the coffee industry as both a farmer and processor for over 25 years. Quite literally over half my life. We've been fighting this every year for the past 25 years. Probably more. The argument being made is how damaging blends are for industry. That couldn't be further from the truth. Blends have been around for at least as long as I've been doing this. Probably longer. We used to sell a pound of the best certified coffee you can make. Kona Extra Fancy, it sold for \$22.50 a pound. Now Kona Prime, which is the lowest certifiable grade of Kona Coffee goes for \$70 for a half pound. Obviously things will cost more due to inflation. However gas was just under \$2 a gallon. Now it's just over \$5. We'll call it \$6. That's a 200% increase. While coffee is just under 700% increase for lesser quality. The industry is already thriving. This is nothing more a group of people looking out for their best interest while claiming they care about the industry and the community. This is all I know how to do. My entire livelihood is invested into this industry. I hope you'll take my recommendation into consideration. Have a great day

HB-2298

Submitted on: 2/26/2024 1:36:27 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kawika `Brooks	Hawaii Coffee Company	Oppose	Written Testimony Only

Comments:

i appose of this bill



February 26, 2024

RE: HB 2298 Relating to Consumer Protection

Dear Chair Nakashima, Vice Chair Sayama, and the House Committee on Consumer Protection and Commerce,

The Kona-Kohala Chamber of Commerce **supports** HB 2298 Relating to Consumer Protection.

With 470 member businesses and organizations, the Kona-Kohala Chamber of Commerce works to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island. Our mission is to provide leadership and advocacy for a successful business environment in West Hawai'i.

House Bill 2298 establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising must contain a certain percent of coffee by weight from that geographic origin.

The Kona-Kohala Chamber of Commerce supports initiatives that promote, protect, and provide for the local agriculture industry. We believe that protecting Hawai'i's brand is vital to the success of our local economy, and this is especially true with the well-earned reputation of quality coffee grown in Kona.

We ask legislators to pass HB 2298 Relating to Consumer Protection.

Mahalo for this opportunity to testify.

Sincerely,

A handwritten signature in black ink that reads "Wendy J. Laros". The signature is fluid and cursive, written in a professional style.

Wendy J. Laros, President and CEO
Kona-Kohala Chamber of Commerce

HB-2298

Submitted on: 2/26/2024 1:50:58 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Madeleine LG	Pacific Coffee Research	Support	Written Testimony Only

Comments:

Aloha,

I'm submitting testimony in support of HB2298 Relating to Consumer Protection as there is clear economic justification to increase the minimum content requirement for Kona coffee. Across the board, our local coffee growers are in support of this bill - their voices should be heard in legislation. Aside from these simple facts, no where else in the **world** do we see labeling practices like this. No other coffee-producing region in the globe sells coffee under their region's name, even though the coffee is a blend of that region and others (i.e. there is no "Huehuetenango Blend" on the shelves of your local grocery store if only 10% of that coffee is, in fact, from Huehuetenango). Instead, the practice is to label these blends with completely different names created by that brand that may or may *not* indicate origin of the blend composition (i.e. "Breakfast Blend" or "Latin American Blend").

This labeling practice used with Kona (and other Hawaii origin) coffee blends is misleading to consumers, undercuts coffee growers, and diminishes the perceived value **and** quality of locally grown coffee. In side-by-side tastings, there is a perceivable quality difference amongst 100% Hawaii coffee and 10% Hawaii blends; the 10% blends show no quality characteristics of the Kona component as they are overpowered by the other component(s) making up the remaining 90% of the blend.

I urge our legislators to vote in favor of protecting consumer rights, supporting our local coffee growers, and elevating the quality of Hawaii-grown agricultural products by supporting this bill.

Thank you,
Madeleine Longoria Garcia
Owner, Pacific Coffee Research

HB-2298

Submitted on: 2/26/2024 1:59:04 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Trevor terazono	Hawaii Coffee Company	Oppose	Written Testimony Only

Comments:

I oppose this bill

LATE

HB-2298

Submitted on: 2/26/2024 2:02:25 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
William Schmidtke	Dealer Store Hawaii	Oppose	In Person

Comments:

My name is William Schmidtke, President of Dealer Store Hawaii, which specializes in reselling Made in Hawaii products on platforms like Amazon.com, Walmart.com, and eBay.com. I am expressing my **opposition** to Hawaii House Bill 2298 after thoroughly analyzing the Final Report on the Economic Study on Changes in Coffee Labeling Law required by Act 222, along with significant documentation from the Kona Coffee Farmers Kona Coffee Labeling Lawsuit. My concerns stem from the potential impacts of these findings on our local industry and the broader community.

The Final Report was rushed and lacked necessary input from key stakeholders, undermining its credibility. Furthermore, the report's recommendation for additional research underscores my belief that legislative changes, especially those affecting Hawaii's coffee sector, must be based on comprehensive research and an inclusive understanding of stakeholder perspectives. This lack of preparation and inadequate stakeholder engagement deeply concerns me.

My primary concern is the absence of a strong enforcement framework for the proposed changes. Without effective enforcement, amendments to the law risk leading to confusion and non-compliance, which could adversely affect businesses like mine and the broader Made in Hawaii brand.

In summary, I oppose HB 2298 in its current form due to significant concerns over preparedness, stakeholder engagement, and enforcement. I urge a reconsideration of the bill, advocating for a more deliberate and inclusive legislative process that genuinely considers these critical issues for the benefit of all involved.

LATE

Testimony of Jeffrey Clark

Ka'u Coffee Mill

February 27, 2024

HB2298 Relating to Consumer Protection

Aloha Chair Mark Nakashima, Vice-Chair Jackson Sayama, and members of the Consumer Protection and Commerce committee,

My name is Jeffrey Clark and I am the Chief Operating Officer for the Edmund C Olson Trust which owns and operates the Ka'u Coffee Mill. Ka'u Coffee Mill grows, processes and roasts 100% Ka'u-grown coffee and purchases coffee from 50 small farmers in the Ka'u district. Our farm grows coffee on 100 acres near Pahala on Wood Valley Road.

I am in full **SUPPORT** of HB2298.

As a grower, processor, roaster and retailer of 100% Kau Coffee, I can see the devastating result of blended coffees on the Hawaii-grown coffee industry. Blended coffees, using as little as 10% of Hawaiian coffee, create a real problem for local farmers. Blended coffees do not provide the consumer with the proper taste profile and mislead the consumer about the region's flavor qualities. Blended coffees also depress the price of 100% Hawaii-grown coffees as well. Products need to be properly labelled to inform the consumer not only of the percentage of Hawaii-grown coffee, but also of the percentage by origin of foreign grown coffee. Under the current law, blenders do not have to disclose the origin of foreign grown coffee and most only indicate the Hawaii-grown percentage which misleads consumers.

The coffee industry in Hawaii started over 100 years ago by farmers and today, it represents one of the largest crops grown in the state of Hawaii. Hawaiian farmers have built a reputation for growing high quality, specialty coffees that command premium prices. Blenders have taken advantage of this reputation by minimally blending Hawaii-grown coffee with lesser cost and quality coffees grown elsewhere.

I urge you to stand with coffee farmers to protect their high-quality reputation.

Sincerely,



Jeffrey Clark

Chief Operating Officer, Edmund C Olson Trust No 2 / Ka'u Coffee Mill

LATE

HB-2298

Submitted on: 2/26/2024 4:59:24 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Butler	Paradise Found Hawaii Estate Coffee Farm	Support	Written Testimony Only

Comments:

I am a struggling coffee farmer for 40 years trying to get by. now more then ever. We farmers don't make any profit from blended coffee; it all goes to wholesarers and retailers

LATE

HB-2298

Submitted on: 2/26/2024 6:02:30 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Steven Mulgrew	Mulvadi Corporation	Oppose	In Person

Comments:

I'm Steve Mulgrew, President and CEO of Mulvadi Corporation, with full ownership and over three decades of experience in the coffee trade, focusing primarily on Kona coffee for retail outlets. The shift to selling Kona Blend coffee was a response to the high theft rates of 100% Kona coffee from retail shelves, which cut my business by 60%.

Retailers, grappling with theft risks, have either secured pure Kona coffee under lock or stopped stocking it altogether, leading me to offer a 10% Kona Blend as an alternative. This blend has allowed for display opportunities in stores that would otherwise exclude pure Kona coffee due to theft concerns. Military stores are notably among the few outlets that consistently stock 100% Kona coffee.

While I support the concept behind regulating 100% Kona coffee for its potential to benefit my business and uphold the industry's integrity, I am **opposed** to the current version of the measure. My long-standing commitment to the Kona coffee industry has made it clear that the rampant theft significantly undermines the value and brand of Kona coffee. Ensuring the shelf presence of 100% Kona coffee would require a robust security system to deter theft, particularly when my brand appears at swap meets, being sold by vendors to tourists at significantly reduced prices—around \$7.00 a bag compared to the \$23 I charge for a 7 oz bag in stores.

Major retailers like Safeway, Longs Drug Stores, Foodland, and Times have resorted to alternative measures to carry Kona coffee, with some opting not to stock any 100% Kona coffee brands at all due to these challenges.

The introduction of the 10% Kona Blend was a strategic move to maintain shelf presence and continue my involvement in the Kona coffee business. Although I would prefer to sell 100% Kona coffee, as I did for 27 years, the reality of the past three years has shown that without the option of the Kona Blend, my business would no longer be viable. This compromise, though difficult, has been crucial for my survival in the current retail landscape.

In closing, while I fully support the intention behind measures to regulate 100% Kona coffee, I find myself in strong opposition to the current proposal. My extensive experience in the industry, coupled with the challenges I've faced due to theft and market dynamics, compels me to advocate for a solution that respects the heritage and quality of Kona coffee while acknowledging the practical realities of retail sales. The 10% Kona Blend, although not my preferred product, has been an essential adaptation for maintaining my business's presence in the market. I urge a

reconsideration of the proposed measures, with a focus on developing a more inclusive and practical approach that supports all stakeholders in the Kona coffee industry.

HB-2298

Submitted on: 2/23/2024 5:58:42 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

Good idea and long overdue.

Mahalo,

Glen Kagamida

Hilo

Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair
Committee on Consumer Protection & Commerce

Tuesday, February 27, 2024; 2:00 p.m.
Conference room 329 & Videoconference

RE: **HB 2298 Relating to Consumer Protection – In Opposition**

Aloha Chair Nakashima, Vice Chair Sayama and members of the committee:

Hawaii Teamsters & Allied Workers, Local 996 is in opposition to HB 2298, which establishes a timeline by which roasted coffee, instant coffee and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain percent coffee by weight from that geographic origin.

Currently, consumers can choose from a range of coffee products, from 10% Kona blend to 100% Kona coffee. This bill will reduce the volume of coffee purchased, roasted and packaged and as a result, a reduction in workforce would occur.

As this bill will have an adverse impact on our members, local suppliers, and local farmers, we ask that you hold this bill.

Respectfully,

A handwritten signature in black ink, appearing to read "T Kealoha". The signature is fluid and cursive, with a long horizontal stroke at the end.

Terrence Kealoha

HB-2298

Submitted on: 2/23/2024 10:51:33 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cecelia Smith	Individual	Support	Written Testimony Only

Comments:

PLease pass this BILL!! Mahalo plenty!

HB-2298

Submitted on: 2/23/2024 11:26:36 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alla Kostenko	Individual	Support	Written Testimony Only

Comments:

I 100% support this bill!! Thank you for getting it this far.

HB-2298

Submitted on: 2/23/2024 2:00:03 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Louis Putzel	Individual	Support	Written Testimony Only

Comments:

HB2298 is an essential piece of legislation to protect the economic interests of Hawaii farmers and the communities they belong to. The provisions to require Hawaii-labeled coffee to be 100% Hawaii grown should be expanded to include all Hawaii agricultural product, including Cacao and Mamaki.

HB-2298

Submitted on: 2/23/2024 2:13:51 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Carolyn Witcover	Individual	Support	Written Testimony Only

Comments:

I am a small Kona coffee farmer in Captain Cook. I have read the economic study and it fully supports the benefit of allowing only 100% Kona to be sold within the state! It is time for the legislature to get behind Hawaii farmers. heritage, and products.

HB-2298

Submitted on: 2/23/2024 2:16:43 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gaylynne Rivera	Individual	Support	Written Testimony Only

Comments:

i support HB 2298- We cannot allow products to be labeled Kona Coffee if not 100% Kona Coffee and not grown in district of Kona

HB-2298

Submitted on: 2/23/2024 3:04:42 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Franz Weber	Individual	Support	Written Testimony Only

Comments:

I strongly support this long overdue bill, which will protect the Kona name, and is in line with the most recent study

HB-2298

Submitted on: 2/23/2024 3:28:42 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Judith Shuster	Individual	Support	Written Testimony Only

Comments:

As a small coffee farmer in Kona, we very much support this bill. Please pass it to help us keep Kona coffee sustainable.

HB-2298

Submitted on: 2/23/2024 6:19:08 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Redfeather	Individual	Support	Written Testimony Only

Comments:

Ka Ohana O Na Pua stands in full support of HB2298.

Ka Ohana O Na Pua was founded in 1991 in Kona, with the mission to create opportunities for agricultural education keiki to kupuna. Kawanui Farm in Kona is still an educational project of the non-profit and from 1995-2012 we ran a coffee variety trial from seed to cup of 12 different varieties that we obtained from the Kona CTAHR Experimental Station. In 2012 we suspended the trials as the insect and disease pressures were prohibitive.

What I saw over that period of time, was that coffee blends encouraged the importation of green coffee into the state for roasting and packaging. The importation of coffees from various regions of the world, led to also the importation of diseases and pests from other coffee growing regions. We were the only coffee growing region in the world without the coffee rust, and yet, we could not give up the blends in order to protect our regional coffee varieties. We will look back on this era with great sadness and perhaps anger, that we were unable to protect the most important agricultural crop grown in the Islands and the 800 small family coffee farms on Hawai'i Island. In our lifetime, coffee rust alone, may make coffee unattainable as a favored beverage. Mahalo.

HB-2298

Submitted on: 2/23/2024 6:31:23 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bob Smith	Individual	Support	Written Testimony Only

Comments:

This bill is something that should have been done years ago.

HB-2298

Submitted on: 2/24/2024 5:44:36 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Henry Wojtczak	Individual	Support	Written Testimony Only

Comments:

Aloha, My wife and I have owned and worked our small Kona coffee farm for the last 7 years. We take great pride in our farm and the fabulous Kona coffee we grow, harvest and sell. We sell only 100% estate grown Kona coffee and 100% in favor of HB 2298. HB2298 would allow only 100% Kona to be sold within the state! We were pleased to see the passing of Act 222 Economic Study on Kona blending, which unequivocally aligned with our and Kona Coffee Farmers Association's stance that demand for Kona far exceeds supply, that blending dilutes our origin's brand, and farmers would benefit economically from 100% Kona. The challenges of farming quality Kona coffee have only increased over time. We truly need HB2298 to protect the global reputation of Kona coffee. By requiring that only 100% Kona coffee be sold in Hawaii, you are defending this iconic brand of coffee. Now is the time to act! Mahalo for your consideration and support.

HB-2298

Submitted on: 2/24/2024 11:42:21 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Harold M Hoogasian	Individual	Support	Written Testimony Only

Comments:

I am a 20 year farmer of Kona Coffee and I STRONGLY support the legislation.

Harold M. Hoogasian,

Kona Perfect

75-5525 Kealia Street

Holualoa, HI 96725

HB-2298

Submitted on: 2/25/2024 7:45:56 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Suzanne Buchanan	Individual	Support	Written Testimony Only

Comments:

This is important for Hawaii Coffee Growers

HB-2298

Submitted on: 2/25/2024 9:44:54 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Benjamin Gwerder	Individual	Support	Written Testimony Only

Comments:

Dear HB2298 Committee,

Thank you for taking the time to consider this legislation, and hear testimonies. My name is Benjamin Gwerder, and I live on Oahu, and work in the coffee industry as both a barista and a farmer. I want to start by saying I support HB 2298, and hope it passes so that we better protect our coffee industry, and the hardworking people that make up all aspects of it.

As an individual that grows coffee on Oahu, ensuring that blends are properly labeled would help protect the work done by farmers. To have a 100% Oahu grown coffee compared to a blended coffee comprised of only 10% Hawai'i grown, and sold for similar rates undercuts the work and effort the farmers have put into coffee here. I support this bill, and hope it passes so as to further protect and push the industry to the future.

Once again, thank you for your time, and I recommend you pass this bill to further the coffee industry here.

**Before the House Committee on Consumer Protection and
Commerce: Bruce Silverglade—in Support of HB 2298**

February 26, 2024

Dear Chairman Nakashima and Members of the Committee:

I am Bruce Silverglade, former legal director of the Washington, DC-based Center for Science in the Public Interest (CSPI), writing in support of the passage of HB 2298. This bill not only protects farmers but is also an essential consumer protection measure.¹

HB 2298 would require coffee labeled as “Kona” to be 100% Kona coffee. This requirement is supported by the findings and conclusions in the Economic Study on Changes in Coffee Labeling Law, prepared for the HDOA pursuant to Act 222.²

The study states, “There is clear economic justification to increase the minimum content requirement for Kona coffee.”³ Furthermore, the report makes the unequivocal conclusion that “increasing Kona coffee content

¹ This testimony is submitted in my personal capacity; I served as Director of Legal Affairs of CSPI from 1981 to 2010 (I now reside full-time in the State of Hawaii and consult on food and agriculture federal regulatory issues). During my tenure at CSPI, I helped lead the fight for the enactment of the Nutrition Labeling and Education Act, including, *inter alia*, provisions ensuring that the State of Vermont could maintain special provisions regarding maple syrup.

² <https://hdoa.hawaii.gov/wp-content/uploads/2023/11/Act-222-SLH-2022-FINAL-Report-on-Econ-Study-on-Changes-in-Coffee-Labeling-Law.pdf>

³ *Ibid*, page 3.

requirements is likely to result in net economic benefit.”⁴ This key conclusion should be noted in the “Findings” section of HB 2298.⁵ Thus, while farmers would benefit from the 100% Kona requirement in HB 2298, consumers would as well.

The general public deserves honest labeling, and consumers deserve to get what they expect they are buying when shopping in the grocery store. Calling a product “Kona 10% blend” is like calling a beverage “orange juice blend” when 90% of the juice is cheaper apple juice. Other states have taken action to protect their unique brands. “Idaho potatoes” are by law 100% from Idaho.

Such measures with regard to Kona coffee are essential to protect consumers ranging from permanent Hawaii residents to unsuspecting visitors.

I note that some blenders have claimed that federal trademark law preempts the State. That assertion is incorrect; see *When Your Trademark Is a False Advertisement* at https://katten.com/files/391153_kattwalk_spring_issue_16.pdf.

The passage of HB 2298 represents a vital step to protect the public from being misled and ensure a competitive level playing field in the industry.

⁴ Ibid, page 4.

⁵ It is recommended that the bill be amended by inserting the following language on line 1, page 2:

“The legislature finds that the recommendations of the Economic Report on Changes in Hawaii’s Coffee Labeling Law (January 18, 2024), prepared for the Hawaii Department of Agriculture pursuant to Act 222 (June 27, 2022), supports the requirements of this bill.”

If this amendment is acceptable, conforming language on page 2, line 3 of HB 2298 should be inserted as follows: *“The legislature notes that the Economic Report prepared for the HDOA also cites a 2018 publication entitled...”* [continued on page 2, line 3 of HB 2298].

I urge the committee to ensure that this bill is enacted. Thank you for considering my views.

Bruce Silverglade

HB-2298

Submitted on: 2/25/2024 10:51:57 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tim Gugudan	Individual	Support	Written Testimony Only

Comments:

I believe that any labelling law or legislation that will ultimately elevate the value and reputation of Kona and Hawai'i as a specialty coffee origin should be supported by the industry. The industry and the government should do everything possible to move more revenue from Hawaiian coffee through the value chain back to producers/farmers. Many specialty coffee roasters already successfully make blends without adding the origin names (i.e. Colombia, Ethiopia, Papua New Guinea etc . . .) to the label and Kona coffee roasters can operate in the same fashion.

HB-2298

Submitted on: 2/25/2024 10:57:56 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
south kona farms	Individual	Support	Written Testimony Only

Comments:

I support Kona Coffee should be only Kona Coffee. If it is a blend, it should 1.) Have a different name, 2.) Describe where the blend(s) come from.

HB-2298

Submitted on: 2/25/2024 12:03:58 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Linda Boranian	Individual	Support	Written Testimony Only

Comments:

My family has been growing and selling Kona coffee for over 30 years, with the next generation now taking over the operation of our farm. The recent challenges facing coffee farmers due to a constant barrage of new pests and weather deviations has brought our annual output down from an average yield of 10-12,000 lbs per year to 1100 for the 2022/23 crop (due mostly to leaf rust and aggressive pruning), to 2100 this year. As you can see, this is still way off and makes it hard to support yourself on this small amount, especially when bigger operators are blending their Kona coffee and thereby keeping their price per pound lower than 100% Kona prices. The buyer does not understand all that is going on behind the scenes and buys blends due to it being cheaper. Please help Kona coffee farmers get the support they need through this bill and thereby retain their ability to remain in business. Mahalo for your attention and consideration.

HB-2298

Submitted on: 2/25/2024 4:52:41 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Meredith Cross	Individual	Support	Written Testimony Only

Comments:

I support this bill to phase out Kona blends. To ensure brand quality and integrity.

Meredith Cross, Kapa'a

HB-2298

Submitted on: 2/25/2024 10:43:15 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Naneki Astronomo	Individual	Oppose	Written Testimony Only

Comments:

Coffee industry is large here in Hawaii, We do not only drink coffee but we grow coffee as well.

We are currently selling a pound of coffee for about ninety percent more than the others around the world.

Blending our coffee allows us to compete in the market by selling a cup of coffee for the same or similar price.

Blending currently keeps our coffee sales here in the state. Bringing the coffee industry to only sell 100% will eventually put the coffee industry to sell outside of the state, for example we offer a blend of coffee in hotel for an affordable rate. Farmers that are currently selling to those clients, will need to find another outlet and will most likely outside if the state.

Soo what does the current market in Hawaii look like at 100%. Selling coffee on our websites, or farmers market. Did you know that most farmers markets will only allow one coffee vendor? I know I've been on the list for thirteen years. Retail shops? rent in oahu is ten thousand dollars a month, and now labor has gone up to \$14 an hour. Overhead for a small retail shop are too expensive.

The one thing I don't want to see is the coffee industry market forced outside the state where they can afford to blend. I would like to see it continue to stay in Hawaii.

At 100% the demand for coffee will go down and we will all suffer from the small farmers to the large ones and soon the coffee industry will not be here in Hawaii. I don't know about other farmers, but I am a proud American coffee farmer.

HB-2298

Submitted on: 2/26/2024 7:26:20 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Erika Zemby	Individual	Support	Written Testimony Only

Comments:

Mahalo for supporting HB2298. After reading the Guild Report, I continue to support this legislation and its importance to Kona coffee farmers, Hawaii agriculture, and consumers. The study that this legislature commissioned the Guild to perform confirms that 100% Kona coffee labeling is the best option for our state and constituents. Mahalo for your support!

HB-2298

Submitted on: 2/26/2024 7:42:23 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Motter Anne Snell	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-2298

Submitted on: 2/26/2024 7:45:57 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Franck Carisey	Individual	Support	Written Testimony Only

Comments:

I am writing to express my wholehearted support for HB2298, currently being reviewed by the Hawaii State Legislature. As a Kona coffee grower deeply concerned about the integrity of our agricultural products and the welfare of all local farmers, I believe this bill is a crucial step towards protecting the authenticity and value of Hawaii-grown coffee.

HB2298 addresses a significant issue concerning the misrepresentation of coffee origin regions, such as "Kona," "Kau," or "Kauai," on product packaging. Currently, existing laws permit the use of these regional names on coffee blends containing minimal amounts of beans from these specific regions. This deceptive practice not only misleads consumers but also harms our coffee growers who rely on the reputation of these esteemed regions.

Far too often, I hear from friends and neighbors expressing disappointment with Kona coffee, only to discover they purchased a blend containing just 10% Kona coffee. This misleading labeling practice has affected not only the end customers but also the farmers and all those involved in selling 100% Kona coffee. It's crucial that this bill addresses such deception to protect both consumers and the integrity of Kona coffee production.

The legislation draws attention to a crucial report by the Food and Agriculture Organization of the United Nations and the European Bank for Reconstruction and Development, which emphasized the lack of strong protection for the name "Kona coffee" by the State, resulting in downstream stakeholders benefiting at the expense of farmers.

By ensuring that coffee products bearing geographic origin names truly reflect the quality and character of their respective regions, HB2298 not only protects consumers from deception but also upholds the integrity of Hawaii's coffee industry. I urge you to support and advocate for the passage of HB2298, as it is essential for the sustainability and prosperity of our local coffee farmers and our agricultural heritage.

Thank you for your attention to this matter and for your commitment to serving the best interests of our community.

HB-2298

Submitted on: 2/26/2024 7:52:49 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tony Tate	Individual	Support	Written Testimony Only

Comments:

As a coffee farmer in Captain Cook, we need protection of the Kona brand that will only be fully protected by passing legislation that requires all packaging and marketing to consist of 100 % Kona coffee. Our name and reputation is being sullied by blends of any amount. It is time for the Legislature to step up and put the interest of farmers and our livelihoods first. Mahalo.

HB-2298

Submitted on: 2/26/2024 8:14:38 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tim F Merriman	Individual	Support	Written Testimony Only

Comments:

I am a small coffee farmer in Captain Cook area of Hawaii Island and market my roasted coffee to customers all over the U.S. via Internet website as 100% Kona coffee. Having coffee labeled as Kona coffee blend is a marketing scheme for the blender but guarantees the buyer absolutely nothing. We have a reputation for great coffee in Kona based on the actual flavor of 100% Kona coffee, but a blended product, even 50% Kona will taste as much or more like the cheap component coffee with which it is blended so the Kona label means nothing and suggests to the drinker it's nothing special. Like wines or cheeses linked to specific growing areas, Kona coffee should be protected as a BRAND and sold only as 100% Kona coffee. Pickers are paid 80 cents to 1.20 a pound of cherry these days so the big guys have \$10 a pound in picking since it takes 7 pounds of cherry to make a pound of coffee. Farms our size (1 acre) are picked by us. When any Kona coffee farmer sells coffee at \$30 a pound, most of that recovers expenses and in good years there's a profit. Coffee beetle treatments and CLR chemicals are very expensive.

But most importantly, we need to protect our unique brand that allows pricing with a potential profit. Please help us do that.

Respectfully

Tim Merriman

83-5766C Napoopoo Rd.

Captain Cook, HI 96704

HB-2298

Submitted on: 2/26/2024 8:17:22 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
tyson acacio	Individual	Oppose	Written Testimony Only

Comments:

I drink local coffee and I would like to continue buying and supporting local 100% origin coffee here in Hawaii but if we do away with the blends the 100% origin coffee will skyrocket in price and I will not be able to afford to drink local coffee. I will be forced to drink or buy coffee from a coffee shop like Starbucks.



Feb. 21, 2024

My wife & I own a coffee farm in Captain Cook, Hawaii and we sell only 100% Kona coffee direct to consumers throughout the United States. I support and strongly urge the Hawaii County Council to adopt HB2298 would allow only 100% Kona to be sold within the state of Hawaii.

Protecting the name and meaning of "Kona coffee" is critical to ensuring not only my success as a Kona coffee farmer, but the success of all the Kona coffee farms and farmers around me. Allowing coffee suppliers to label Kona blends with only 10% Kona coffee as "KONA" in large, bold print and "blend" in much smaller print not only misleads the consumer, but it undervalues our product and what the name "Kona coffee" should mean.

By protecting the integrity of the name Kona, HI, you will be not only protecting your constituents, and their livelihoods, you will also be protecting the land and our ability to continue using the best farming practices (which are labor intensive here). Forcing us to compete with products that consumers believe to be Hawaiian due to their packaging, but are actually primarily South American (Brazilian) makes it difficult for us to invest in our land and pay our skilled and very hard-working help a fair wage—which they deserve. Kona "blends", being typically 90% South American coffee in origin are often sold for less than it takes to even PRODUCE the same amount of Kona coffee. Kona coffee should be valued at a higher premium than that given that it accounts for a miniscule 0.00015% of the world's coffee (Kona yields around 2.5 million lbs of green coffee per year while the top ten coffee-producing countries produce over 16 BILLION lbs per year). Beyond just being one of the rarest coffees in the world, Kona coffee farmers have also developed a long history of high farming standards and best practices that deserve to be protected by the law and are worthy of the market rate of 100% Kona coffee.

Even though you've heard this before, it is worth reiterating...this type of misleading practice is not allowed anywhere else in the world. You do not see bottles of sparkling wine that announce "Champagne" in big bold flashy letters with the word "blend" beside it in a much smaller unobtrusive font. Nor do you see "Waterford {blend}" announced proudly on crystal knockoff. You don't see this because it is unfair to the consumer, it's unfair to the producer, and it doesn't make good fiscal sense for the region.

Again, I strongly urge you to amend the current regulation that allows blends containing as little as 10% Kona coffee to be sold in Hawaii as *Kona Blend* and require that all Kona coffee sold in Hawaii be 100% Kona because it is the right and best thing to do for the state of Hawaii.

Mark Wessels

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Lelia Zenner

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HB-2298

Submitted on: 2/26/2024 9:04:00 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kalea	Individual	Oppose	Written Testimony Only

Comments:

I believe we should be able to blend our Hawaii 100% coffee with others such as Columbian coffee because 100% is too expensive by itself. The market for roasted coffee is priced at \$70-\$95 per pound. Unfortunately, most humans (blue collar) cannot afford to drop that much money. To keep our livelihoods in the state of Hawaii stable, we need to keep things more affordable for the locals. I currently work at a coffee shop that makes a tasty cup of blended coffee that I can afford. If our local coffee shop is forced to stop blending, I will not be able to afford it, as well as my friends and family that support me at my job. I may be out of a job.

HB-2298

Submitted on: 2/26/2024 9:34:26 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chet Gardiner	Individual	Support	Written Testimony Only

Comments:

Mahalo to the legislature for taking an initial first steps toward fairness for hundreds of small coffee farms in our islands.

You now have the opportunity to take another step by passing HB2298 to ensure that our visitors won't be subjected to watered down coffee using the Kona, Kau or Kauai Name.

It's time to join Georgia, Idaho and other states and countries to protect some of Hawai'i's most important crops.

HB-2298

Submitted on: 2/26/2024 9:34:28 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ka'ualani	Individual	Oppose	Written Testimony Only

Comments:

By passing this bill it will cause small local coffee businesses to shut down. Making it harder to obtain and enjoy locally-grown coffee.

HB-2298

Submitted on: 2/26/2024 9:38:58 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dustin Jose	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

As someone that works in the coffee industry, I strongly oppose the bill Hb2298. Removing the blend market in Hawaii will limit our creativity. I love to taste coffee. I taste coffees from all over the world and I will say coffee in Hawaii is not a superior flavor profile in the coffee industry it is too acidic. We have an active volcano, and we will not be able to get away from how acidic our flavors are here, It's in the water, the soil, and the air. Being able to blend our coffees with others around the world allows us to complement our acidic coffee with one that is sweeter with tones of fruits and chocolate. It's like wine, and chocolate, some of the best products are blends from different origins all over the world. If we are going to move forward in this market, we need to be creative. If we want to keep our coffee agriculture thriving in the state of Hawaii we need to keep blending here

HB-2298

Submitted on: 2/26/2024 9:45:51 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Taisha Haaheo Young	Individual	Oppose	Written Testimony Only

Comments:

We as locals trying to keep local businesses open & still having a job. We need to keep local products in the islands & making local products affordable for us who live in the islands. Why buy mainland products when we have it here on the islands.

HB-2298

Submitted on: 2/26/2024 9:48:15 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Howard Hill	Individual	Support	Written Testimony Only

Comments:

As a Kona coffee farmer and member of Kona Coffee Farmers Association I support bill 2298.

HB-2298

Submitted on: 2/26/2024 10:42:15 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Colin Jevens	Individual	Support	Written Testimony Only

Comments:

Aloha.

We are a small kona coffee farm and are in full support of any and all efforts to require all kona coffee to be 100% kona coffee beans. This will help our struggling farm as demand for our products is high and the supply is limited. By diluting kona coffee with foreign beans the overall value is thus reduced impacting our ability to operate in a challenging economy.

Aloha.

~Colin Jevens

Luana Farm

Kona Jack's Coffee.

HB-2298

Submitted on: 2/26/2024 10:49:03 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Deniz Tek	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am a Kona coffee farmer with a small, independent plantation. I strongly support HB2298. We need your help to protect our heritage Kona Coffee legacy. Our reputation for quality and our livelihood is damaged by inferior blends labeled as "Kona". Consumers are also deceived and harmed by false labeling. Please pass this legislation.

Mahalo

Deniz Tek

HB-2298

Submitted on: 2/26/2024 11:13:27 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Bottorff	'Apapane Coffee Farm	Support	Written Testimony Only

Comments:

Hon. Sir/Madam:

I support the HB2298. As an interested party, I believe the economic benefit to the State of Hawaii from increased taxation and the increase in the economic value of Kona Coffee justifies the move to a 100% Kona content standard when using the words KONA COFFEE in coffee products sold in Hawaii. Furthermore, someday I would hope this is extended and mandated across the United States. I operate a small 5-acre Kona Coffee farm, selling only single source Kona Coffee from our farm. Companies that sell 10% Kona, I contend, are capitalizing and profiting from the efforts of others, including Kona coffee farmers.

HB-2298

Submitted on: 2/26/2024 11:49:34 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Leslie Monroe	Individual	Oppose	Written Testimony Only

Comments:

I feel that it is so important to allow the blending of our very expensive 100% Kona coffee with other coffees more economically grown elsewhere. I particularly enjoy a Kona and Guatemalan blend that I regularly purchase from a local coffee shop. I don't care for the 100% Kona, on it's own, it is too acidic for my taste. It is so expensive I would not be able to afford the 100% Kona coffee. I would have to resort to ordering coffee from Amazon. I always try to buy local and support our Hawai`i Island business.

Mahalo, Leslie

HB-2298

Submitted on: 2/26/2024 11:56:52 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacklyn Minichiello	Individual	Oppose	Written Testimony Only

Comments:

I drink blended coffee daily and it's going to hinder me from purchasing affordable

HB-2298

Submitted on: 2/26/2024 1:20:49 PM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
TSUKASA KOBAYASHI	Individual	Comments	Written Testimony Only

Comments:

I think not allowing to have blend coffee (only 100% Kona) is too harsh.

Should keep having both category of 100% Kona Coffee and Blended Kona Coffee.

I also want to see the impact on the economy of whole coffee industry with passing the law HB2298. Not only the effect on Kona Farmers.

Seems reasonable to slow down the schedule to increase the percentage of Kona coffee in the blended product.

HB-2298

Submitted on: 2/26/2024 3:12:04 PM

Testimony for CPC on 2/27/2024 2:00:00 PM



Submitted By	Organization	Testifier Position	Testify
Gloria Biven	Individual	Oppose	Written Testimony Only

Comments:

Aloha- I am strongly opposing this bill HB2298. This bill is implicating that it has been voted and passed that only 100% of either "Kona", "Kau", or "Kauai" coffee is allowed to be sold in Hawaii after July 1, 2027 otherwise not allowed to use the word specifics.

Working in retail for over 40 years, I still see consumers to this day shift to cost then self worth. Consumers are more edjucated on this subject then you are posing in the bill.

Also, farmers, millers & roasters here in Hawaii at this time have to follow strict guides and regulation if that is not enough to keep the origins & region names clean and without guilt, then the increase of the cost will fall on the consumer here at home and afar due to surplus of coffees here because of higher costs and around the world. Either surplus, cost will have to be lowered or cost increase thinking this will imporove the coffees worh. Tastes will change due to supply and demand. We can force a report in any direction we find necessary!

How many of you actually **buy** and drink 100% "Kona", "Kau" or "Kauai" coffee exclusivley and not because it is given to you free by family or friend or you grow your own.

Mahalo for your time, I strongly oppose this bill.

Respectfully submitted,

Gloria Biven

LATE

HB-2298

Submitted on: 2/27/2024 9:42:22 AM

Testimony for CPC on 2/27/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Larisa Botanova	Individual	Support	Written Testimony Only

Comments:

Hawaiian coffees should be labeled honestly with what is inside the bag, and with no marketing tricks to lure a consumer into buying a blend they didn't intend to buy! The demand is there, and coffee farmers on the islands should be fully supported and protected from potential greed of the people who sell the finished bags. Let's get proper legislature in place to make this happen, and protect the coffee industry of Hawaii from disappearing like others before it!